

Our amendment also includes a provision that will help small businesses across our country. The provision would repeal an expansion of information reporting rules that was enacted this past year, otherwise known as 1099. Those rules expanded current information reporting requirements to include payments businesses make to corporations and payments for goods and property, not just services. This provision, known as the 1099 provision, imposes a record-keeping burden on small businesses that would take away from the time business owners need to expand their business and create jobs. This information reporting went too far, especially in this difficult economy. It is important that we repeal this expansion of information reporting.

Now, some will say that we should extend tax cuts for everyone, even the very rich. America is working through tough economic times. At the same time, our country has record deficits. Our amendment would balance these two concerns. Our amendment would extend all the tax cuts affecting middle and lower income Americans that Congress enacted in 2001 and in 2003 that sunset this year. Our amendment would also extend several expiring tax cuts benefiting middle and lower income Americans that Congress enacted in 2009. Our amendment would protect Americans who have been struggling to get by.

Our amendment would also benefit taxpayers with higher incomes. The cuts in our amendment apply to all of the income up to \$200,000 for individuals and \$250,000 for couples even if the taxpayer makes more than that. At the same time, we crafted our amendment with recognition of the mounting deficits our country faces.

Our amendment would not rely on the gimmick of temporarily extending tax cuts in order to mask their size, knowing that future Congresses will be unable to resist the temptation to keep extending these cuts. It is about priorities. Our amendment makes choices.

Our amendment would not make permanent all of the expiring tax cuts that Congress enacted in 2009. It would not make permanent tax cuts that benefit only those Americans who need them the least. Only 3 percent of Americans have incomes greater than \$250,000 for couples or \$200,000 for individuals.

Over the past quarter century, the average after-tax income of the wealthiest 5 percent has grown 150 percent.

At the same time in the past quarter century, the average after-tax income of middle-class Americans has grown by only 28 percent. So 150 percent for the top 5 percent—the wealthiest—and only 28 percent for middle-income Americans. Today, the bottom 80 percent of households receive less than half of all after-tax income. The benefits of recent economic growth have not been widely shared, so the middle

class should not be asked to tighten their belts as much as the high-income folks who have benefited the most.

As we come out of the great recession, we need to recognize the growing Federal budget deficit. In 2010, the deficit was \$1.3 trillion. That is the second highest level relative to the size of the economy since 1945. This was exceeded only by 2009's \$1.4 trillion deficit—\$100 billion more—and the Congressional Budget Office projects that deficits will remain high for the rest of the decade. That means the Federal debt will keep growing.

When we passed the 2001 tax cuts, the Federal Government was running a surplus. When we passed the 2001 tax cuts, economists projected big surpluses as far as the eye could see. Times have changed. We need to consider our current fiscal condition. With 15 million Americans still out of work, it is important that we keep our economy on the path to recovery by extending tax cuts for families who need them the most and who will spend it.

Our amendment strikes the right balance. It is a question of priorities. Our amendment says that we should not devote scarce resources to a larger tax cut for those at the very top. Our amendment says that we would be better off devoting those scarce resources to new tax incentives that promote investment and create new jobs or we would be better off devoting those scarce resources to reducing the Federal budget deficit and debt. Those are the choices we have to make.

Our amendment says: Let's make the middle-class tax cuts permanent. Our amendment says: Let's not allow tax cuts for middle-class Americans to be held hostage for tax cuts for those who make the very most. There is not an endless supply of money. We have to make choices.

I submit that these are the choices we need to make. I encourage my colleagues to support our amendment.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mr. BAUCUS. Mr. President, I suspend my request.

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

UNEMPLOYMENT INSURANCE

Mr. BROWN of Ohio. Mr. President, I thank the senior Senator from Montana, who laid out exactly why his efforts to extend the Bush tax cuts to the middle class up to \$250,000 and to not extend them beyond that is the exact right public policy. It is good fiscal policy. It is good economic policy. It is good for our country. It is exactly the right thing to do. I thank him for his explanation of including the earned-income tax credit, which is the best tax incentive to help people who are working hard, playing by the rules, making \$20,000 to \$30,000 a year, get a much fairer tax—really encouraging work the way the IETC does.

I also thank the chairman of the Finance Committee, the senior Senator from Montana, for including the unemployment insurance in this because 85,000 Ohioans have lost their unemployment insurance. These are people—or many of them are, as I have read letters on the Senate floor and will read a couple today—who have worked for 20, 30, 40 years and simply can't find a job.

There are five people applying for every one job opening in my State and in this country. It is so important that these people continue to get some assistance. In spite of what some of my Republican colleagues suggest, unemployment insurance is insurance, not welfare. Their employer, on their behalf, pays into the unemployment insurance fund in their States. When they lose their jobs, because it is insurance, they should get assistance. It is like fire or health insurance. You don't want to use it, but you want it to be there if you need it. That is why it is so important. I appreciate Senator BAUCUS's discussion of why this is the right policy.

Before I read some letters from people about unemployment benefits, I want to talk about why that is the right policy. The Bush tax cuts primarily went to the wealthy in 2001 and 2003. As Senator McCASKILL said, it was an experiment. For 10 years, we tried to see if this worked. I didn't support that when it passed in the House many years ago because I thought they were tilted toward upper income people and not focused on the middle class. So it was an experiment in many ways where major tax breaks were given to the rich, and according to the so-called trickle-down economic theory, they would hire people and much would trickle down and they would provide jobs and strengthen the middle class.

What we saw during the Bush 8 years as the main thrust of the economic policy was the tax break for the rich. That was the stated policy; that if we cut taxes enough on the wealthiest Americans, it would drive the economy forward. But we know that in those 8 years of the Bush administration there was a 1 million net job increase, not enough to provide jobs to keep up with the growing population or not enough to provide jobs for the kids coming out of high school or those leaving the Army or those coming out of college.

So it is clear the experiment failed. They cut taxes for the rich and there was only a 1 million increase in jobs. It didn't work.

Look at the 8 years before that, the Clinton years—and these are facts, not opinions—where President Clinton did a mix of tax cuts, tax increases on the wealthy and spending cuts, and he balanced the budget. We ended up with a 22 million job increase with that economic policy, which we want to follow today, versus a 1 million job increase, which was not even enough to keep up with the growing population with the Bush economic policy.

It is clear what this means—not to mention what Senator BAUCUS pointed